

# United States Senate

WASHINGTON, DC 20510

February 10, 2004

Dear Colleague:

We would like you to join us in supporting S. 1977, the Small Manufacturing Assistance, Recovery, and Trade Act (SMART Act). This bill addresses one of the most pressing concerns of our current economic situation: the plight of America's manufacturing firms and workers.

Our nation's manufacturing sector has suffered enormously in recent years. Since July 2000, one out of every six manufacturing jobs has vanished – a loss of almost 2.8 million American jobs. This sector's deterioration has affected our workforce nationwide; in fact, 49 of our 50 states have experienced manufacturing job losses during this time.

While we must remain attuned to the needs of the manufacturing sector as a whole, it is necessary to realize that small manufacturers are among the most important part of this industry. Small manufacturing firms (defined as those with fewer than 500 employees) represent 98.6 percent of all manufacturing establishments and 67.7 percent (or two-thirds) of all U.S. manufacturing employment. Small manufacturing establishments also represent approximately 55 percent of the total value-added by all U.S. manufacturing establishments. Thus, when working to benefit manufacturing employees and the sector as a whole, appropriate attention must be given to the unique needs of small manufacturers.

To address those needs, the SMART Act contains numerous provisions to benefit small manufacturers. The Act improves the Small Business Administration's (SBA) international and exporting programs and its entrepreneurial development programs and services. It also provides improvements to the SBA's 7(a), 504, and Surety Bond programs by directing the SBA to:

- increase the maximum loan size available to small exporters through the 7(a) loan program;
- quadruple the maximum loan size available to small manufacturers through the 504 loan program and increase the maximum loan size for exporters;
- allow 504 lenders to make more loans for manufacturing projects by easing the standards for manufacturers to receive a loan; and
- clarify the maximum surety bond guarantee program to allow more small manufacturing projects to qualify without increasing the SBA's liability.

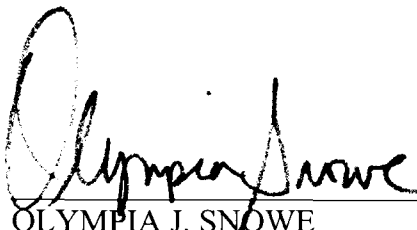
The SMART Act further benefits manufacturers by establishing:

- an Interagency Manufacturing Task Force – to coordinate the efforts and resources of numerous Federal agencies, spur interagency cooperation, and provide recommendations to assist manufacturers.
- a Small Business Manufacturing Task Force within the Small Business Administration to ensure that the agency focuses a proper level of attention to manufacturers' concerns and that it promotes its manufacturing related services and programs.
- a new Assistant United States Trade Representative for Small Business within the Office of the United States Trade Representative, who will ensure that small businesses' (including small manufacturers') concerns are represented in trade negotiations.

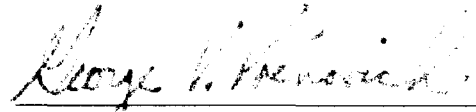
Please join us in supporting this important legislation aimed at revitalizing our nation's manufacturing industry. More information concerning the SMART Act, including a summary of its provisions, can be obtained from the following website  
<http://www.sbc.senate.gov/bills.html>.

To cosponsor the SMART Act, or for additional information concerning its provisions, please contact Matthew Walker, Oversight Counsel to the Senate Committee on Small Business and Entrepreneurship (202) 224-5175, or Amanda Rixse Nichols, Counsel to the Committee on Governmental Affairs, Subcommittee on Oversight of Government Management the Federal Workforce and the District of Columbia (202) 224-3682.

Sincerely,



OLYMPIA J. SNOWE  
Chair, Senate Committee on Small Business  
and Entrepreneurship



GEORGE V. VOINOVICH  
United States Senator